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**State:** Arkansas **Filing Company:** Time Insurance Company  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** Long-Term Care Insurance  
**Project Name/Number:** Time - Landing Spots /

## Filing at a Glance

Company: Time Insurance Company  
Product Name: Long-Term Care Insurance  
State: Arkansas  
TOI: LTC03I Individual Long Term Care  
Sub-TOI: LTC03I.001 Qualified  
Filing Type: Form  
Date Submitted: 01/03/2013  
SERFF Tr Num: MULF-126958334  
SERFF Status: Closed-Approved  
State Tr Num:  
State Status: Approved-Closed  
Co Tr Num: TIME - LANDING SPOTS  
  
Implementation: On Approval  
Date Requested:  
Author(s): Michelle Fluett, Carol Folsom, Pat Hamlett, Joanne Witham  
Reviewer(s): Donna Lambert (primary)  
Disposition Date: 01/04/2013  
Disposition Status: Approved  
Implementation Date:  
  
State Filing Description:

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## General Information

Project Name: Time - Landing Spots Status of Filing in Domicile: Authorized  
 Project Number: Date Approved in Domicile:  
 Requested Filing Mode: Review & Approval Domicile Status Comments:  
 Explanation for Combination/Other: Market Type: Individual  
 Submission Type: New Submission Individual Market Type:  
 Overall Rate Impact: Filing Status Changed: 01/04/2013  
 State Status Changed: 01/04/2013  
 Deemer Date: Created By: Michelle Fluet  
 Submitted By: Michelle Fluet Corresponding Filing Tracking Number: MULF-12703866

### Filing Description:

Re: Time Insurance Company  
 Company NAIC # 69447; FEIN #: 39-0658730  
 Individual Long-Term Care Insurance Form Submission  
 Landing Spots for Inforce Rate Increase (See Policy Form List Below)

Dear Commissioner:

In March 2000, John Hancock entered into an agreement whereby it would administer and reinsure the Fortis Insurance Company (now known as Time Insurance Company) block of individual long-term care insurance. Through this coinsurance arrangement, John Hancock assumed the administration and servicing, the financial risk, and responsibility for paying claims and maintaining sufficient reserves for these policies.

On January 2, 2013, we filed for an inforce rate increase on the forms listed below under SERFF Tracking Number MULF-12703866.

As promised in that filing, we are fully aware that a premium increase may be difficult for our policyholders; therefore we will provide all policyholders with an array of options which will help them mitigate the impact of any increase. Most important, for those policyholders who elected compound or simple inflation, we will provide them with the ability to completely avoid the increase by reducing their benefit increase coverage from 5 percent compound or simple benefit increase to a lower percentage benefit increase, which will vary by policy series. Policyholders will be able to keep all accrued benefit increase amounts to date and the lower benefit increase index will apply on a prospective basis only. We are therefore filing the following endorsements for each policy series to implement these options.

Policy Series	New Compound Rider Form	New Lower Compound Index Amount*	New Simple Rider Form	New Lower Simple Index Amount*
4062	25043.2 4/11 3.2%	25033.2 4/11 3.2%		
4063	25043.2 4/11 3.2%	25033.2 4/11 3.2%		

\*Please note these amounts were determined to be actuarially equivalent to the requested rate increases in aggregate and therefore these options are only available if the full rate increase requested is accepted.

In addition, policyholders will be able to reduce their benefit period, adjust their daily/monthly benefit amount, or extend their elimination period. They will also be able to drop riders from their coverage.

Where the NAIC contingent nonforfeiture benefit or the nonforfeiture benefit (if purchased) is triggered, customers will be

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offered paid-up coverage in accordance with the applicable NAIC provision. We are allowing contingent nonforfeiture if the rate increase trigger is met for all affected policyholders, even if it was not otherwise required in your State.

As required, the rate increases on these policy forms will be disclosed on the suitability worksheet for policies currently sold by John Hancock.

Also, we are submitting for informational purposes only, our template policyholder communication package regarding the rate increase and landing spots. This package will be personalized for each customer and of course will vary by their respective situation (i.e., policy forms, benefit selection, etc.) This package is included in Supporting Documentation.

The following items are included in this submission:

- \* the submission letter.
- \* referenced forms.
- \* a \$100.00 filing fee.
- \* all required certifications.

Please do not hesitate to contact us regarding this submission.

Thank you for your time and consideration in this matter.

Sincerely,  
Michelle Fluet

## Company and Contact

### Filing Contact Information

Michelle Fluet, Senior Contract Consultant mfluet@jhancock.com  
200 Berkeley Street 617-572-0101 [Phone]  
B6-06 617-572-0399 [FAX]  
Boston, MA 02117

### Filing Company Information

Time Insurance Company	CoCode: 69477	State of Domicile: Wisconsin
200 Berkeley Street	Group Code: 19	Company Type:
Boston, MA 02117	Group Name:	State ID Number:
(617) 572-5000 ext. [Phone]	FEIN Number: 39-0658730	

## Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No
Fee Explanation:	2 forms x \$50 = \$100.00
Per Company:	No

Company	Amount	Date Processed	Transaction #
Time Insurance Company	\$100.00	01/03/2013	66223557

<b>SERFF Tracking #:</b>	MULF-126958334	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	TIME - LANDING SPOTS
<b>State:</b>	Arkansas	<b>Filing Company:</b>	Time Insurance Company		
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
<b>Product Name:</b>	Long-Term Care Insurance				
<b>Project Name/Number:</b>	Time - Landing Spots /				

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Donna Lambert	01/04/2013	01/04/2013

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Cover letter	Michelle Fluet	01/03/2013	01/03/2013

<b>SERFF Tracking #:</b>	MULF-126958334	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	TIME - LANDING SPOTS
<b>State:</b>	Arkansas	<b>Filing Company:</b>	Time Insurance Company		
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<b>Product Name:</b>	Long-Term Care Insurance				
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## Disposition

Disposition Date: 01/04/2013

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Approved	Yes
Supporting Document	Application	Approved	Yes
Supporting Document	Health - Actuarial Justification	Approved	Yes
Supporting Document	Outline of Coverage	Approved	Yes
Supporting Document	Policyholder Communication Template	Approved	Yes
Supporting Document	Cover letter	Approved	Yes
Form	4060- Simple Inflation Rider	Approved	Yes
Form	4060-Compound Inflation Rider	Approved	Yes

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## Amendment Letter

Submitted Date: 01/03/2013

Comments:

Amending submission to include cover letter

Changed Items:

*No Form Schedule Items Changed.*

*No Rate Schedule Items Changed.*

Supporting Document Schedule Item Changes	
Satisfied - Item:	Cover letter
Comments:	
Attachment(s):	
AR TIME Land Spots cov.pdf	

<b>State:</b>	Arkansas	<b>Filing Company:</b>	Time Insurance Company
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
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## Form Schedule

Lead Form Number:								
Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1	Approved 01/04/2013	4060- Simple Inflation Rider	25033.2 4/11	POLA	Initial		0.000	4060_25033.2_Simple.pdf
2	Approved 01/04/2013	4060-Compound Inflation Rider	25043.2 4/11	POLA	Initial		0.000	4060_25043.2_compound.pdf

### Form Type Legend:

<b>ADV</b>	Advertising	<b>AEF</b>	Application/Enrollment Form
<b>CER</b>	Certificate	<b>CERA</b>	Certificate Amendment, Insert Page, Endorsement or Rider
<b>DDP</b>	Data/Declaration Pages	<b>FND</b>	Funding Agreement (Annuity, Individual and Group)
<b>MTX</b>	Matrix	<b>NOC</b>	Notice of Coverage
<b>OTH</b>	Other	<b>OUT</b>	Outline of Coverage
<b>PJK</b>	Policy Jacket	<b>POL</b>	Policy/Contract/Fraternal Certificate
<b>POLA</b>	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	<b>SCH</b>	Schedule Pages

## **TIME INSURANCE COMPANY**

[LTC Administrative Office:  
1 John Hancock Way  
Suite 1700  
Boston, MA 02217-1700]

### **LIFETIME 3.2% ANNUAL AUTOMATIC BENEFIT INCREASE RIDER**

This Rider is part of, and attached to Your Policy and is subject to all the provisions of the Policy unless otherwise provided below. This Rider replaces any prior Benefit Increase Rider that was previously a part of Your Policy. Any benefit increases that were applied to Your Policy up to the Effective Date of this Rider will not be affected by this Rider.

#### **BENEFIT PROVIDED**

This Rider will automatically increase Your Daily Benefit each year, beginning on the first policy anniversary date following the effective date of this rider. The amount of increase is equal to 3.2% of the Daily Benefit at time of issue. The Lifetime Maximum Benefit Amount will also be increased. The amount of the increase is equal to the Remaining Lifetime Maximum Benefit Amount times the percentage increase in Your Daily Benefit for the current Policy year. The Remaining Lifetime Maximum Benefit Amount is the Lifetime Maximum Benefit Amount on the previous Anniversary Date, less the total of all claims paid or payable up to the current Anniversary Date. The benefit increases will occur on each Policy Anniversary Date for the lifetime of Your Policy, even when You are receiving benefits.

Any changes to Your Policy coverage will be administered separately in the calculation of this benefit. Some changes that will affect the calculation of this benefit include, but are not limited to, changes You request to the Daily Benefit or the Lifetime Maximum Benefit Amount. In the event of a reinstatement, the Daily Benefit will be the same as if Your Policy had never Lapsed.

#### **PREMIUMS**

The premium for this Rider is shown on the Schedule Page.

Secretary



**TIME INSURANCE COMPANY**

[LTC Administrative Office:

1 John Hancock Way

Suite 1700

Boston, MA 02217-1700]

**LIFETIME AUTOMATIC BENEFIT INCREASE RIDER  
3.2% COMPOUNDED ANNUALLY**

This Rider is part of, and attached to Your Policy and is subject to all the provisions of the Policy unless otherwise provided below. This Rider replaces any prior Benefit Increase Rider that was previously a part of Your Policy. Any increases that were applied to Your Policy up to the Effective Date of this Rider will not be affected by this Rider.

**BENEFIT PROVIDED**

This Rider will automatically increase Your Daily Benefit each year. The amount of increase is equal to 3.2% of the Daily Benefit in the prior Policy year (compounded annually). The Lifetime Maximum Benefit Amount will also be increased. The amount of the increase is equal to 3.2% of the Remaining Lifetime Maximum Benefit Amount. The Remaining Lifetime Maximum Benefit Amount is the Lifetime Maximum Benefit Amount on the previous Anniversary Date, less the total of all claims paid or payable up to the current Anniversary Date. The benefit increases will occur on each Policy Anniversary Date for the lifetime of Your Policy beginning on the first policy anniversary date following the effective date of this rider, even when You are receiving benefits.

Any changes to Your Policy coverage will be administered separately in the calculation of this benefit. Some changes that will affect the calculation of this benefit include, but are not limited to, changes You request to the Daily Benefit or the Lifetime Maximum Benefit Amount. In the event of a reinstatement, the Daily Benefit will be the same as if Your Policy had never Lapsed.

**PREMIUMS**

The premium for this Rider is shown on the Schedule Page.

Secretary

<b>SERFF Tracking #:</b>	MULF-126958334	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	TIME - LANDING SPOTS
<b>State:</b>	Arkansas	<b>Filing Company:</b>	Time Insurance Company		
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
<b>Product Name:</b>	Long-Term Care Insurance				
<b>Project Name/Number:</b>	Time - Landing Spots /				

## Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Flesch Certification	Approved	01/04/2013
Comments:			
Attachment(s):			
CERTIFICATION OF READABILITY.pdf			

		<b>Item Status:</b>	<b>Status Date:</b>
Bypassed - Item:	Application	Approved	01/04/2013
Bypass Reason:	Not applicable to this rider submission.		

		<b>Item Status:</b>	<b>Status Date:</b>
Bypassed - Item:	Health - Actuarial Justification	Approved	01/04/2013
Bypass Reason:	Not applicable to this submission.		

		<b>Item Status:</b>	<b>Status Date:</b>
Bypassed - Item:	Outline of Coverage	Approved	01/04/2013
Bypass Reason:	Not applicable to this submission.		

		Item Status:	Status Date:
Satisfied - Item:	Policyholder Communication Template	Approved	01/04/2013
Comments:			
Attachment(s):			
PH_Template _ To File_FORTIS.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Cover letter	Approved	01/04/2013
Comments:			
Attachment(s):			
AR TIME Land Spots cov.pdf			

**CERTIFICATION OF READABILITY**  
**State of Arkansas**

<b>Riders</b>	
Lifetime Automatic Benefit Increase Rider	25043.2 4/11
Lifetime 3.2% Annual Automatic Benefit Increase Rider	25033.2 4/11

I certify that to the best of my knowledge and belief, the above-referenced form(s) meet or exceed the readability, legibility, and format requirements of any applicable laws and regulations in the state of Arkansas

1/3/2013  
Date

Marie Roche, Assistant Vice President  
Name and title of officer of the Issuer



Signature of officer of the Issuer



TBD

Title

Long-Term Care Insurance

1 John Hancock Way, Suite 1700

Boston, Massachusetts 02217-1700

{Insert date}

<First Name> <Last Name>

«Address1»

«Address2»

«City», «State» «Zip» «Zip4»

Ref: <Policy Number>, **Notice of long-term care insurance premium adjustment. Action may be required.**  
,<Time Insurance Company> <Union Security Insurance Company>

Dear «FirstName» «Last Name»,

We are writing to provide you with information regarding your <Time Insurance Company/Union Security Life Insurance Company> formerly known as < Fortis Insurance Company/Fortis Benefits Insurance Company > long-term care (LTC) insurance policy, which is being serviced and administered by John Hancock. This notification provides information regarding an increase to your long-term care (LTC) insurance premiums.

At John Hancock, our commitment is to ensure LTC insurance benefits will be there for our policyholders when they need them most. To uphold this responsibility, we continuously monitor the experience of our inforce LTC insurance policies. After the most recent detailed analysis of our business, we have determined there is a need to increase premiums on certain policy series to reflect the future claims expected on these policies, and yours is one of those policies affected.

### **Effect of increase on your premium**

Based on your current benefit selections, your premiums will increase from \$[current premium] to \$[new premium], [policy mode]. This change represents a [XX%] increase in your premium. This new premium will be effective for premiums due on or after [next policy anniversary]. Please note this letter is not a bill.

### **Options to avoid or minimize the premium increase**

We sincerely regret having to take this action, and understand some policyholders may not be willing or able to pay the higher premium. Therefore, at this time, we are offering you an option to avoid the premium increase completely by reducing your future annual benefit increase rate and keeping all other benefits the same. Please refer to the enclosed 'Options Package' for more information on this as well as alternative options available to you.

### **About the premium increase**

It is important to know that this premium rate increase has been submitted to and accepted by the <insert policy issue state> Insurance Department. No individual has been singled out for an increase, nor is the increase due to a policyholder's advancing age or changing health. Our decision to increase premiums on certain policies is solely related to the future claims anticipated on these policies and not to the recent recession, interest rate environment, or any other investment-related reason. As a reminder, premium rates are not guaranteed, and could be increased again in the future.

**Importance of LTC insurance coverage**

We believe in the importance of LTC insurance and strongly encourage you to maintain your policy and not give up the valuable protection that it provides. We remain committed to delivering on our promise to provide the most comprehensive coverage, support and service, when and where you need care.

**For questions and assistance**

If you have additional questions, please contact one of our customer service representatives at <xxx-xxx-xxxx>. Our dedicated team is available to help you make a decision that best meets your personal needs.

Sincerely,

/s/

Enclosures:

Options Package for <Policyholder name>

Coverage Change Request Form

Frequently Asked Questions

## I. Summary of your current individual Long-Term Care insurance benefits

Daily/Monthly Benefit <sup>1</sup> .....	<\$xxxx.xx>
Benefit Multiplier .....	<xx years/Unlimited>
Elimination Period.....	<Xx>
Benefit Increase .....	<x>
Rider.....	
Optional Riders.....	<List here, if applicable>
Current Premium (prior to increase).....	\$XXX.XX, [policy mode]

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### Your premium increase

Due to the premium rate increase and based on your current benefit selections as shown above, your premiums will increase from \$[current premium] to \$[new premium], [policy mode] and will be effective for premiums due on or after [anniversary following notification period].

If you wish to keep your current coverage, you do not need to take any action other than pay the increased premium.

- If you have authorized payment via monthly electronic funds transfer through John Hancock, we will deduct the new premium from your bank account effective <next policy anniversary following required notification period>.
- If your payment is via a third-party account or online banking, please contact your representative or bank prior to <next policy anniversary following required notification period> to update the payment amount.

### If you are on claim

If you are a policyholder on claim and currently not paying premium (due to the Waiver of Premium provision in your policy), you do not need to pay the higher premium. We are notifying you now of this increase in the event that your premium becomes payable in the future if you are no longer on claim. If you recover and return to premium status, you will be subject to the premium increase, and at that time we will offer you the same premium reduction alternatives that would otherwise be available to you today.

### Your options

The following pages provide options for you to avoid or minimize the premium increase by adjusting your current benefits. As you evaluate what is best for you, we also encourage you to consider the current and projected cost of care in your area, as well as how much of that amount you are willing and able to pay from your own savings. For current cost of care information specific to your area, please visit [www.johnhancocklongtermcare.com](http://www.johnhancocklongtermcare.com).

### For questions and assistance

If you have questions or need further assistance, please contact one of our customer service representatives at <xxx-xxx-xxxx>, Monday through Friday from 8:00am – 6:30pm Eastern Time. Our dedicated team is available to help you make a decision that best meets your personal needs.

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<sup>1</sup> Benefits calculated as of <mm/dd/yyyy>.

[Policies underwritten by <Time Insurance Company> <Union Security Insurance Company> are administered by John Hancock Life Insurance Company (U.S.A.) (not licensed in New York).

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<Policy form>

## II. Your Personalized Option to Reduce Coverage and Lower Premiums

### Avoid the premium increase by reducing your future annual benefit increase rate

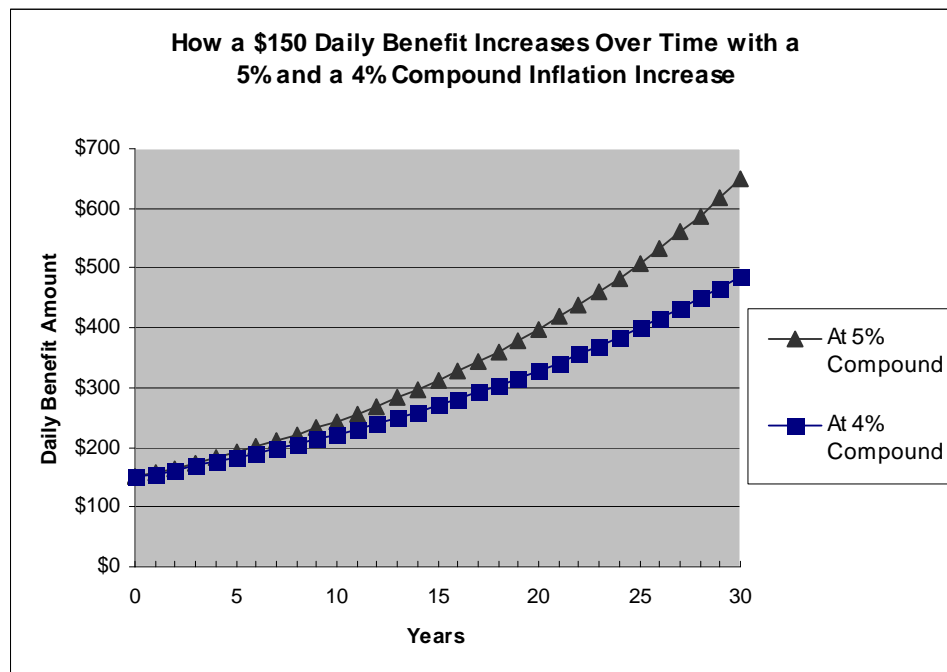
You will be able to avoid this premium increase completely by reducing your future annual benefit increase rate from <5% Compound/Simple> to <X% Compound/Simple> on your next policy anniversary of <insert policy anniversary following notification period>.

The reduced benefit increase percentage will only be applied to future benefit increases that will occur on or after the effective date of this change. All other existing benefits and previous inflation increases that have already been applied to your policy up to the effective date of the benefit increase reduction will be maintained. Before selecting this option, please review the information below.

- ◆ **ACTION NEEDED BY <deadline>**: Select the Personalized Option on the enclosed Coverage Change Request Form and return it to the address or fax number provided if you wish to choose this option.

### Sample of the effect on benefits over time by reducing future benefit increase rate

The following is an example of how a \$150 daily benefit amount increases over the next 30 years at <5% Compound> and <4% Compound>.



>>>>>

### III. Your Alternative Options to Reduce Coverage and Lower Premiums

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#### **Reduce your current benefits for a lower premium**

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To help mitigate the premium increase, without reducing your future inflation rate, you may also be eligible to reduce your benefits<sup>2</sup>. (Please note in certain instances the ability to reduce your benefits may not be available due to state-regulated minimum benefit requirements or the available plan options.) For example, you may be eligible to:

- Reduce your current <daily/monthly> benefit;
- Reduce your benefit multiplier;
- Increase your elimination period;
- Drop an optional rider.

◆ **ACTION NEEDED BY <deadline>**: If you are interested in learning more about any of your Alternative Options, we recommend you contact one of our customer service representatives at 800-200-0837 to review the options in detail and the impact it will have on your premium.

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#### **<Exercise the Nonforfeiture Benefit, resulting in a paid-up policy with reduced benefits**

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Your policy includes a Nonforfeiture Benefit, which enables you to discontinue paying premiums and provides you with a paid-up policy with reduced benefits. By exercising this option, you will be significantly reducing your policy benefits, so you should give this careful consideration before you select it. .>

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#### **<Exercise the Contingent Nonforfeiture Benefit, resulting in a paid-up policy with reduced benefits**

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If you choose to cancel your policy within 120 days of [next policy anniversary following notification period], we will modify your policy limit (lifetime maximum benefit amount) and convert your policy to paid-up status where no further premiums are due. Your new policy limit will be <\$x> as of <date>, which represents the sum of all premiums paid, less any benefits paid. By exercising this option, you will be significantly reducing your policy benefits, so you should give this careful consideration before you select it.>

The following terms apply if you choose to exercise the <Nonforfeiture/Contingent Nonforfeiture> Benefit:

- No benefits will be paid in excess of your new policy limit.
- Benefits will be paid subject to the daily/monthly benefit levels (and other coverage limits) in effect at the time you convert your policy to paid-up status.
- All optional benefit riders will automatically terminate.
- No future benefit increase adjustments will be made.
- All other applicable policy provisions, conditions, and limitations will remain in effect.>

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<sup>2</sup> A reduction in the Daily Benefit or Benefit Multiplier will have a corresponding reduction on the policy limit (lifetime maximum benefit amount).

[Policies underwritten by <Time Insurance Company> <Union Security Insurance Company> are administered by John Hancock Life Insurance Company (U.S.A.) (not licensed in New York).

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<Policy form>



**Options Package for <PH Name>, <Policy #>  
<Time Insurance Company> or <Union Security Insurance Company>**

- ◆ *ACTION NEEDED BY <deadline>*: If you decide to elect the <Nonforfeiture / Contingent Nonforfeiture> Option, please complete the enclosed Coverage Change Request Form and return it by the date provided.

# COVERAGE CHANGE REQUEST FORM

Individual LTC Insurance Policy for

<Policyholder Name>, <Policy #>

<Time Insurance Company> or <Union Security Insurance Company>

## MAIL

## FAX

Step 1: Select an option (check the appropriate box) Step 2: Review the Agreement and Acknowledgement Step 3: Sign and date this form Step 4: Return this form by the date provided below	John Hancock LTC Policyholder Services 1 John Hancock Way, Ste 1700 Boston, MA 02217-1700	John Hancock LTC Policyholder Services 617-572-6010
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### ☐ Your Personalized Option —Avoid the premium increase by reducing your future annual inflation rate

Your future inflation rate will be reduced from <x %> to <x %> on your upcoming policy anniversary of <policy anniversary>. **This will result in no premium increase.**

### ☐ Alternative Options

*One or more of the following can be selected. Please seek advice if you are interested in any of these options. In some instances, certain changes are subject to state and/or Partnership regulatory benefit minimum requirements.*

☐ Reduce your <Daily/Monthly> Benefit from \$<pre-fill> to \$\_\_\_\_\_.

☐ Reduce your Benefit Multiplier from <pre-fill> to \_\_\_\_\_.

☐ Increase your Elimination Period from <pre-fill> to \_\_\_\_\_.

☐ Remove the following optional rider(s) from your policy: \_\_\_\_\_

<☐ Exercise the Nonforfeiture Benefit available on your policy.>

<☐ Exercise the Contingent Nonforfeiture Benefit available on your policy.>

☐ Cancel your policy. This change will be effective immediately.

### Agreement and Acknowledgement

I understand that my benefits and/or premium for those benefits will change based upon the option(s) I select.

I understand that premium rates are not guaranteed and may be increased again in the future if I am among the group of policyholders whose premiums are determined to be inadequate.

If I select an option(s) to change my coverage, I understand that, within 30 days of the date this change becomes effective, I may cancel the change in my coverage and return to my original coverage at the increased premium level.

I understand the policy change(s) I selected above. By signing below, I agree that any change(s) other than cancelling my policy, will be effective on my next policy anniversary provided this form is received by John Hancock by that date.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Please return this form using the enclosed postage paid return envelope by: <date>.**

## FREQUENTLY ASKED QUESTIONS

<Time Insurance Company> or <Union Security Insurance Company>

### 1. What is the policy provision that allows you to raise my premiums?

The provision that allows for an increase in premiums can be found on the front page of your policy. Your policy indicates that, while your insurance company cannot change coverage or refuse to renew coverage for reasons other than nonpayment of premiums, the company is allowed to change or increase premiums so long as the increase applies to an entire class of policies. We are required to file premium increases on policy series, along with actuarial justification, with the department of insurance in the state where the policy was purchased.

### 2. Why do you need to raise premium rates — can you explain further?

Accurate forecasting and projecting of future claims experience on LTC insurance policies is complex in its detail and application. Many factors are considered at the time that pricing is established, such as the frequency and severity of particular medical conditions, the expected lifespan of policyholders, the length of time policies are expected to remain in force, and the cost of care, to name a few. As claims are paid, these factors can change over time. Unfortunately, the most recent detailed review of our pricing assumptions confirms that the expected claims over the life of your policy series are significantly higher today than they were expected to be when the premiums were originally determined.

### 3. Have I been singled out for this rate increase because of my age or health?

No. No individual has been singled out for an increase, nor is the increase due to a policyholder's advancing age or changing health. Also, your state has not been singled out, as all states are included in our rate increase process.

### 4. If I no longer live in the state where I purchased my policy, does the increase still apply?

Yes. All LTC insurance policies are regulated by the original state in which they were written at the time of the purchase of the policy. That means that the state where you were residing when you purchased your policy continues to be the applicable state, even if you are now residing elsewhere.

### 5. Does the prevailing economic environment have anything to do with why you are raising my premium?

No. We are increasing premium rates solely due to our claims experience, which indicates higher-than-expected claims on your policy series in the future. State regulation does not permit in force premium rate increases that are for the purpose of bolstering the insurer's financial position.

### 6. Is there an alternative to paying higher premiums?

Yes. We are offering several benefit reduction alternatives and at least one option that will enable you to keep your premiums at or close to the same level as what you are paying today. The enclosed 'Options Package' outlines your options. To further review these options, please contact one of our customer service representatives at 800-200-0837.

### 7. What is the purpose of the enclosed Coverage Change Request Form?

The enclosed Coverage Change Request Form need only be completed and returned to John Hancock should you decide you want to adjust your benefits or cancel your policy. Otherwise, no action is necessary on your part, as the premium rate increase will take place automatically on the policy anniversary date specified in your letter.

### 8. I am currently on claim. Do I have to pay the increased premium?

If you are a policyholder on claim and currently not paying premium (due to the Waiver of Premium provision in your policy), you do not need to pay the higher premium. We are notifying you now of this increase in the event that your premium becomes payable in the future if you are no longer on claim. If you recover and return to premium status, you will be subject to the premium increase, and at that time we will offer you the same premium reduction alternatives that would otherwise be available to you today.

## John Hancock Life Insurance Company (U.S.A.)

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John Hancock Place  
Post Office Box 111 B-6-6  
Boston, Massachusetts 02117  
1-888-877-6075  
Direct: (617) 572-0101  
Email: mfluet@jhancock.com

**Michelle Fluet**  
Contract Consultant  
**LTC Contracts and Legislative Services**

January 3, 2013

Jay Bradford  
Insurance Commissioner  
Arkansas Department of Insurance  
1200 W. Third Street  
Little Rock, Arkansas 72201-1904

**Re: Time Insurance Company**  
**Company NAIC # 69447; FEIN #: 39-0658730**  
**Individual Long-Term Care Insurance Form Submission**  
**Landing Spots for Inforce Rate Increase (See Policy Form List Below)**

Dear Commissioner:

In March 2000, John Hancock entered into an agreement whereby it would administer and reinsure the Fortis Insurance Company (now known as Time Insurance Company) block of individual long-term care insurance. Through this coinsurance arrangement, John Hancock assumed the administration and servicing, the financial risk, and responsibility for paying claims and maintaining sufficient reserves for these policies.

On January 2, 2013, we filed for an inforce rate increase on the forms listed below under SERFF Tracking Number MULF-12703866.

As promised in that filing, we are fully aware that a premium increase may be difficult for our policyholders; therefore we will provide all policyholders with an array of options which will help them mitigate the impact of any increase. Most important, for those policyholders who elected compound or simple inflation, we will provide them with the ability to **completely avoid the increase** by reducing their benefit increase coverage from 5 percent compound or simple benefit increase to a lower percentage benefit increase, which will vary by policy series. Policyholders will be able to keep all accrued benefit increase amounts to date and the lower benefit increase index will apply on a prospective basis only. We are therefore filing the following endorsements for each policy series to implement these options.

Policy Series	New Compound Rider Form	New Lower Compound Index Amount*	New Simple Rider Form	New Lower Simple Index Amount*
4062	25043.2 4/11	3.2%	25033.2 4/11	3.2%
4063	25043.2 4/11	3.2%	25033.2 4/11	3.2%

*\*Please note these amounts were determined to be actuarially equivalent to the requested rate increases in aggregate and therefore these options are only available if the full rate increase requested is accepted.*

In addition, policyholders will be able to reduce their benefit period, adjust their daily/monthly benefit amount, or extend their elimination period. They will also be able to drop riders from their coverage.

Where the NAIC contingent nonforfeiture benefit or the nonforfeiture benefit (if purchased) is triggered, customers will be offered paid-up coverage in accordance with the applicable NAIC provision. We are allowing contingent nonforfeiture if the rate increase trigger is met for all affected policyholders, even if it was not otherwise required in your State.

As required, the rate increases on these policy forms will be disclosed on the suitability worksheet for policies currently sold by John Hancock. New suitability forms have been submitted to your department for approval.

Also, we are submitting for informational purposes only, our template policyholder communication package regarding the rate increase and landing spots. This package will be personalized for each customer and of course will vary by their respective situation (i.e., policy forms, benefit selection, etc.) This package is included in Supporting Documentation.

The following items are included in this submission:

- the submission letter.
- referenced forms.
- a \$100.00 filing fee.
- all required certifications.

Please do not hesitate to contact us regarding this submission.

Thank you for your time and consideration in this matter.

Sincerely,

Michelle Fluet